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ABSTRACT

A survey conducted to provide general information on instructional costs at universities similar to Montana State is presented in an effort to demonstrate difficulties involved in comparing costs among different universities. A sample of six comparable financial reports from Rocky Mountain area universities were collected. Figures are provided for the six institutions (not identified by school) including: Idaho State University; New Mexico State University; North Dakota State University; South Dakota State University; University of New Mexico; and University of Wyoming. Although detailed financial reports were received, only approximately half of the collected data could be reconciled into a common format. It is suggested that two major problems exist for this type of a study. First, the press for standard intrastate reporting methods across general types of institutions seems to preclude standard interstate reporting procedures for a specific type of institution. Secondly, significant differences exist in the definition of student credit hours and the calculation of full time equivalent enrollment. (Author/SF)

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MONTANA STATE UNIVERSITY

Office of Institutional Research

COMPARISON OF INSTRUCTIONAL COSTS PER FULL TIME EQUIVALENT STUDENT

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

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Report No. 78-15

December, 1978

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Data Source: Institutional Financial Reports

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ABSTRACT

This survey was conducted to provide some general indication of instructional costs at universities similar to Montana State University.

Copies of financial reports were requested from twelve Rocky Mountain area universities. The six providing sufficiently comparable reports were included in the final tabulations. All adjustments and conversions were made in this office in as consistent a manner as possible.

Based on these adjusted financial reports, instructional costs at Montana State University appear to be well within the range experienced by similar institutions in the Rocky Mountain area.

CAUTION

Cost comparisons such as these are seldom reported because of the difficulties in interpreting different accounting systems and because of the great danger of error in adjusting financial reports for institutions with which the reviewer lacks first hand knowledge.

Although this office attempted to work directly with detailed institutional reports making adjustments in a consistent manner, the possibility of significant error remains. For this reason all results have been rounded.

Although several of the institutions have given permission to identify their costs, the results are not identified by school. In this manner, even if an error exists in one school's costs, five reliable cost comparisons remain without the danger of doing harm to the school whose cost figures appear in error.

A summary of the adjustments made to each institution's data are appended.

INSTRUCTIONAL COST PER FTE STUDENT

	Instructional Cost*	Total FTE Enrollment#	Average Cost per FTE Student
University A	$ 10,054,242	6,964	$ 1,400
University B	7,417,424	6,236	1,200
University C	6,946,578	4,464	1,600
University D	12,206,304	10,278	1,200
University E	15,270,429	9,233	1,700
University F	21,675,485	17,106	1,300
Montana State Univ.	12,181,115	9,320	1,300

The institutions labeled A - F are the following (not in this order):

Idaho State University
New Mexico State University
University of New Mexico
North Dakota State University
South Dakota State University
University of Wyoming

(Seven other institutions in this area were also contacted, but insufficient information was obtained to ensure reliable comparisons.)

* Instructional costs were defined to only include those reported within the primary instructional program portion of university charts of accounts. Costs of heating and lighting financial aid and other student services were not compared because of difficulties in reconciling different accounting practices used at institutions in other states. The costs which are reported were calculated by examining reported FY 1976-77 expenditures from unrestricted instructional funds. Adjustments were made to permit comparisons on a consistent (Montana) basis. For example, the expenses (if any) of the academic deans paid from the instructional budget were excluded because we report such expenditures under academic support.

Total FTE refers to FY 1976-77 FTE computed according to a consistent (Montana) definition based on quarter credits. Total quarter SCH generated during the fiscal year are divided by 45 at the undergraduate level and by 36 at the graduate level. Where necessary, semester SCH were converted to quarter SCH by multiplying by 3/2.

University A

1)	Total Instructional Cost	$ 10,054,242
2)	Total FTE	6,964
3)	Average Cost per FTE	$ 1,444

1) Source: page 13 of Financial Report for year ended June 30, 1977

Total Instruction and Department Research Expenditures (State Unrestricted Funds)	9,479,193
Total Instruction and Department Research Expenditures (Local Unrestricted Funds)	575,049
	$ 10,054,242

2) Source: (institution) University 1976-77 Enrollment Report

Undergraduate credit hours - 295,399 ÷ 45 =	6564 FTE
Graduate credit hours - 14,385 ÷ 36 =	400 FTE
Total	6964 FTE

University B

1)	Total Instructional Cost	$ 7,417,424
2)	Total FTE	6,236
3)	Average Cost per FTE	$ 1,189

1) Source: page 7 of 1977 Financial Report

Total Instruction & Departmental Research Expenditures (Unrestricted Current Funds) $ 7,417,424

2) Source: pages 112 and 113 of 1977 Financial Report

Fall & Spring Semester Undergraduate Credit Hours	- 179,040	
Summer Undergraduate Credit Hours	- 300	
Total Undergraduate Semster Credit Hours	179,340 =	269,010 Quarter credit hours

269,010 ÷ 45 = 5978 FTE

Fall & Spring Semester Graduate Credit Hours	5,887	
Summer Graduate Credit Hours	298	
Total Graudate Semester Credit Hours	6,185 =	9,278 Quarter credit hours

6,185 ÷ 36 = 258

Undergraduate	5,978 FTE
Graduate	258 FTE
Total	6,236 FTE

University C

1)	Total instructional Cost	$ 6,946,578
2)	Total FTE	4,464
3)	Average Cost per FTE	$ 1,556

1) Source: pages 15,16, 17 of Report on Examination of Financial Statements and Additional Information, year ended June 30, 1977.

Total Instructional & Departmental Research Expenditures	$	10,353,977
Less - Continuing Education	-	133,696
Less - Graduate School	-	68,472
Less - Vocational Education	-	2,937,856
Less - Administration costs (92,943 + 61,698 + 49,751)	-	204,392
Less - Closed Circuit TV	-	62,983
	$	6,946,578

2) Source: (institution) University Student Credit Hours by Level by Department Report (F.Y. 1976,1977,1978)

Semester Undergraduate Credit Hours 120,140 = 180,210 Quarter Credit Hours

180,210 ÷ 45 = 4005 FTE

Semester Graduate Credit Hours 11,008 = 16,512 Quarter Credit Hours

16,512 ÷ 36 = 459 FTE

Undergraduate	4005 FTE
Graduate	459 FTE
Total	4464 FTE

University D

1)	Total instructional cost	$ 12,206,304
2)	Total FTE	10,278
3)	Average cost per FTE	$ 1,188

1) Source: Exhibit 10, page 2 of (institution) University 1978-79 Operating Budget

Total Instruction Expenditure - Unrestricted funds	$ 12,420,742
Less Continuing Education	- 214,438
	$ 12,206,304

2) Source: Exhibit D, Enrollmants of (institution) University's 1978-79 Operating Budget

Total FTE: 10,278

University E

1) Total instructional cost $ 15,270,429

2) Total FTE 9,233

3) Average Cost per FTE $ 1,654

1) Source: pages 23 and 24 of (institution) Annual Financial Report 1976 - 77

Total Resident Instruction		$ 16,927,071
Less Dean's Office Expense	(44,188+1,087,899 +77,620+ 181,404 +182,390+60,155 +22,986)	- 1,656,642
		$ 15,270,429

2) Source: pages 138, 144 and 150 of the (institution) Statistical Summary of the Division of Admissions, Registration and Records - July 1977

Summer Total Semester Undergraduate Student Credit Hours	5695
Fall Total Semester Undergraduate Student Credit Hours	77492
Spring Total Semester Undergraduate Student Credit Hours	69319
Total Semester Undergraduate Student Credit Hours	152,506 = 228,759 Quarter Hours

228,759 ÷ 45 = 5084 FTE

Summer Total Semester Graduate Student Credit Hours	10116
Fall Total Semester Graduate Student Credit Hours	43858
Spring Total Semester Graduate Student Credit Hours	45609
Total Semester Graduate Student Credit Hours	99,583 = 149,375 Quarter Hours

99,583 ÷ 36 = 4149 FTE

Undergraduate	5084 FTE
Graduate	4149 FTE
Total	9233 FTE

University F

1)	Total instructional cost	$ 21,675,485
2)	Total FTE	17,106
3)	Average Cost per FTE	$ 1,267

1) Source: page 14 of the (institution) Financial Report for the year ending June 30, 1977
Total Instruction Expenditures (Main Campus only)
Unrestricted Funds $ 21,675,485

2) Source: page 21 of the (institution) Financial Report for the year ending June 30, 1977 and telephone conversation with E. McConnell to obtain division of undergraduate and graduate student credit hours (9-21-78).

Summer Total Semester Undergraduate Student Credit Hours	28,231
Fall Total Semester Undergraduate Student Credit Hours	208,481
Spring Total Semester Undergraduate Student Credit Hours	193,891
Total Semester Undergraduate Student Credit Hours	430,603 = 645,905 Quarter Credit Hours

645,905 ÷ 45 = 14,353 FTE

Summer Total Semester Graduate Student Credit Hours	9,308
Fall Total Semester Graduate Student Credit Hours	28,795
Spring Total Semester Graduate Student Credit Hours	27,969
Total Semester Graduate Student Credit Hours	66,072 = 99,108 Quarter Credit Hours

99,108 ÷ 36 = 2,753 FTE

Undergraduate	14,353 FTE
Graduate	2,753 FTE
Total	17,106 FTE

Montana State University

1)	Total instructional cost	$ 12,181,115
2)	Total FTE	9,320
3)	Average Cost per FTE	$ 1,307

1) Source: MSU Annual Financial Report - Year ended June 30, 1977, page 23-24

Unrestricted Current Funds Expenditures	
Total Instruction	$ 12,311,981
less Continuing Education	- 130,866
	$ 12,181,115

2) Office of the Commissioner - Enrollment Report of June 27, 1978, based on campus reports of third week enrollment.